2001 DRAFTING REQUEST

Senate Amendment (SA-SB55)

Received: **06/07/2001**   Received By: **jkreye**

Wanted: **As time permits**   Identical to LRB:

For: **Legislative Fiscal Bureau**   By/Representing: **Shanovich (RR)**

This file may be shown to any legislator: **NO**   Drafter: **jkreye**

May Contact: Addl. Drafters:

Subject: **Tax - corp. inc. and fran.**   Extra Copies:

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Pre Topic:

LFB:.......Shanovich (RR) -

Topic:

Motion 1643: Delay single sales factor apportioment; computation modifications

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Instructions:

See Attached

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/1	jkreye 06/07/2001	gilfokm 06/07/2001	jfrantze 06/08/2001	_____	lrb_docadmin 06/08/2001		
	jkreye 06/08/2001	gilfokm 06/08/2001		_____			
				_____			
/2	jkreye 06/09/2001	gilfokm 06/09/2001	jfrantze 06/08/2001	_____	lrb_docadmin 06/09/2001		

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/3			jfrantze 06/09/2001	_____ _____	lrb_docadmin 06/10/2001		

FE Sent For:

<END>

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/2		/3 — 6/ kmg /9-01	jfrantze 06/08/2001	_____	lrb_docadmin 06/09/2001		

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/1	jkreye 06/07/2001	gilfokm 06/07/2001	jfrantze 06/08/2001	_____	lrb_docadmin 06/08/2001		

FE Sent For: /2 ~ 6/Kmg /8-01   66/8

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Drafter: **jkreye**

Addl. Drafters:

Extra Copies:

Pre Topic:

LFB:.......Shanovich (RR) -

Topic:

Motion 1643: Delay single sales factor apportioment; computation modifications

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Instructions:

See Attached

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/1	jkreye	/1 — 6/7 kmg 6/7-01	6/6/8	6/6 pg 6/8			

FE Sent For:

<center>**<END>**</center>

Ron Shanovich

Single Sales — delay 1 year

add section to address DORs

computation issue

LFB:.......Shanovich (RR) – Motion 1643: Delay single sales factor apportioment; computation modifications

FOR 2001–03 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

6-7-01   D-N   SOON

1   At the locations indicated, amend the bill as follows:

2   **1.** Page 946, line 21: delete "2003" and substitute "2004".

3   **2.** Page 947, line 1: delete "2002" and substitute "2003".

4   **3.** Page 947, line 2: delete "2004" and substitute "2005".

5   **4.** Page 947, line 6: delete "2003" and substitute "2004".

6   **5.** Page 947, line 7: delete "2005" and substitute "2006".

7   **6.** Page 947, line 11: delete "2004" and substitute "2005".

8   **7.** Page 947, line 14: delete "2002" and substitute "2003".

9   **8.** Page 947, line 15: delete "2005" and substitute "2006".

10   **9.** Page 947, line 18: delete "2004" and substitute "2005".

1   **10.** Page 947, line 20: after that line insert:

2   "**SECTION 2136m.** 71.04 (4m) of the statutes is created to read:

3   71.04 **(4m)** APPORTIONMENT FORMULA COMPUTATION. (a) 1. For taxable years

4   beginning before January 1, 2006, if both the numerator and the denominator of the

5   of the sales factor under sub. (7) related to a taxpayer's remaining net income is zero,

6   the sales factor under sub. (7) is eliminated from the apportionment formula to

7   determine the taxpayer's remaining net income under sub. (4).

8   2. For taxable years beginning after December 31, 2005, if both the numerator

9   and the denominator of the sales factor under sub. (7) related to a taxpayer's

10   remaining net income is zero, none of the taxpayer's remaining net income is

11   apportioned to this state.

12   (b) 1. For taxable years beginning before January 1, 2006, if the numerator of

13   the sales factor under sub. (7) related to a taxpayer's remaining net income is a

14   negative number and the denominator of the sales factor under sub. (7) related to a

15   taxpayer's remaining net income is not zero, the sales factor under sub. (7) is zero.

16   2. For taxable years beginning after December 31, 2005, if the numerator of the

17   sales factor under sub. (7) related to a taxpayer's remaining net income is a negative

18   number and the denominator of the sales factor under sub. (7) related to a taxpayer's

19   remaining net income is not zero, none of the taxpayer's remaining net income is

20   apportioned to this state.

21   (c) 1. For taxable years beginning before January 1, 2006, if the numerator of

22   the sales factor under sub. (7) related to a taxpayer's remaining net income is a

23   positive number and the denominator of the sales factor under sub. (7) related to a

1.   taxpayer's remaining net income is zero or a negative number, the sales factor under

2.   sub. (7) is 1.   *one*

3.   2. For taxable years beginning after December 31, 2005, if the numerator of the

4.   sales factor under sub. (7) related to a taxpayer's remaining net income is a positive

5.   number and the denominator of the sales factor under sub. (7) related to a taxpayer's

6.   remaining net income is zero or a negative number, all of the taxpayer's remaining

7.   net income is apportioned to this state.".

8.   **11.** Page 947, line 23: delete "2005" and substitute "2006".

9.   **12.** Page 948, line 2: delete "2005" and substitute "2006".

10.   **13.** Page 948, line 14: delete "2003" and substitute "2004".

11.   **14.** Page 948, line 21: delete "2002" and substitute "2003".

12.   **15.** Page 949, line 20: delete "2004" and substitute "2005".

13.   **16.** Page 961, line 7: delete "2003" and substitute "2004".

14.   **17.** Page 961, line 12: delete "2002" and substitute "2003".

15.   **18.** Page 961, line 13: delete "2004" and substitute "2005".

16.   **19.** Page 961, line 17: delete "2003" and substitute "2004".

17.   **20.** Page 961, line 18: delete "2005" and substitute "2006".

18.   **21.** Page 961, line 22: delete "2004" and substitute "2005".

19.   **22.** Page 962, line 1: delete "2002" and substitute "2003".

20.   **23.** Page 962, line 2: delete "2005" and substitute "2006".

21.   **24.** Page 962, line 7: after that line insert:

22.   "SECTION 2166m. 71.25 (6m) of the statutes is created to read:

1   71.25 **(6m)** APPORTIONMENT FORMULA COMPUTATION. (a) 1. For taxable years

2   beginning before January 1, 2006, if both the numerator and the denominator ~~of the~~

3   of the sales factor under sub. (9) related to a taxpayer's remaining net income is zero, *are*

4   the sales factor under sub. (9) is eliminated from the apportionment formula to

5   determine the taxpayer's remaining net income under sub. (6).

6   2. For taxable years beginning after December 31, 2005, if both the numerator

7   and the denominator of the sales factor under sub. (9) related to a taxpayer's

8   remaining net income is *are* zero, none of the taxpayer's remaining net income is

9   apportioned to this state.

10   (b) 1. For taxable years beginning before January 1, 2006, if the numerator of

11   the sales factor under sub. (9) related to a taxpayer's remaining net income is a

12   negative number and the denominator of the sales factor under sub. (9) related to a

13   taxpayer's remaining net income is not zero, the sales factor under sub. (9) is zero.

14   2. For taxable years beginning after December 31, 2005, if the numerator of the

15   sales factor under sub. (9) related to a taxpayer's remaining net income is a negative

16   number and the denominator of the sales factor under sub. (9) related to a taxpayer's

17   remaining net income is not zero, none of the taxpayer's remaining net income is

18   apportioned to this state.

19   (c) 1. For taxable years beginning before January 1, 2006, if the numerator of

20   the sales factor under sub. (9) related to a taxpayer's remaining net income is a

21   positive number and the denominator of the sales factor under sub. (9) related to a

22   taxpayer's remaining net income is zero or a negative number, the sales factor under

23   sub. (9) is ~~0.~~ *One*

24   2. For taxable years beginning after December 31, 2005, if the numerator of the

25   sales factor under sub. (9) related to a taxpayer's remaining net income is a positive

1. number and the denominator of the sales factor under sub. (9) related to a taxpayer's

2   remaining net income is zero or a negative number, all of the taxpayer's remaining

3   net income is apportioned to this state.".

4   **25.** Page 962, line 10: delete "2005" and substitute "2006".

5   **26.** Page 962, line 13: delete "2005" and substitute "2006".

6   **27.** Page 963, line 2: delete "2003" and substitute "2004".

7   **28.** Page 963, line 8: delete "2002" and substitute "2003".

8   **29.** Page 964, line 6: delete "2004" and substitute "2005".

9   **30.** Page 972, line 21: delete "2002, and before January 1, 2004" and

10 substitute "2003, and before January 1, 2005".

11 **31.** Page 973, line 1: delete "2003" and substitute "2004".

12 **32.** Page 973, line 2: delete "2005" and substitute "2006".

13 **33.** Page 973, line 10: after that line insert:

14 "SECTION 2188m. 71.45 (3e) of the statutes is created to read:

15 71.45 **(3e)** APPORTIONMENT FORMULA COMPUTATION. (a) 1. For taxable years

16 beginning before January 1, 2006, if both the numerator and the denominator used

17 to determine the percentage under sub. (3) (a) related to a taxpayer's net income are one

18 zero, the percentage under sub. (3) (a) is eliminated from the apportionment formula

19 to determine the taxpayer's income under sub. (3).

20   2. For taxable years beginning after December 31, 2005, if both the numerator

21 and the denominator used to determine the percentage under sub. (3) (a) related to

22 a taxpayer's net income is zero, none of the taxpayer's net income is apportioned to

23 this state.

1   (b) 1. For taxable years beginning before January 1, 2006, if the numerator

2 used to determine the percentage under sub. (3) (a) related to a taxpayer's net income

3 is a negative number and the denominator used to determine the percentage under

4 sub. (3) (a) related to a taxpayer's net income is not zero, the percentage under sub.

5 (3) (a) is zero.

6   2. For taxable years beginning after December 31, 2005, if the numerator used

7 to determine the percentage under sub. (3) (a) related to a taxpayer's net income is

8 a negative number and the denominator used to determine the percentage under

9 sub. (3) (a) related to a taxpayer's net income is not zero, none of the taxpayer's net

10 income is apportioned to this state.

11   (c) 1. For taxable years beginning before January 1, 2006, if the numerator

12 used to determine the percentage under sub. (3) (a) related to a taxpayer's net income

13 is a positive number and the denominator used to determine the percentage under

14 sub. (3) (a) related to a taxpayer's net income is zero or a negative number, the

15 percentage under sub. (3) (a) is *one*.

16   2. For taxable years beginning after December 31, 2005, if the numerator used

17 to determine the percentage under sub. (3) (a) related to a taxpayer's net income is

18 a positive number and the denominator used to determine the percentage under sub.

19 (3) (a) related to a taxpayer's net income is zero or a negative number, all of the

20 taxpayer's net income is apportioned to this state.".

21   **(END)**

June 7, 2001

Ron Shanovich:

As per the instructions from the department of revenue, the amendment provides that
if both the numerator and the denominator of the sales factor or premiums factor is
zero, the sales factor is eliminated from the apportionment formula. However, it is not
clear to me what that means. How does that affect the apportionment formula,
particularly as the single sales factor scheme is phased in? How is "eliminated from
the apportionment formula" different than indicating that "the sales factor is zero?"

> Joseph T. Kreye
> Legislative Attorney
> Phone: (608) 266–2263
> E–mail: joseph.kreye@legis.state.wi.us

June 7, 2001

Ron Shanovich:

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LFB:.......Shanovich (RR) – Motion 1643: Delay single sales factor apportioment; computation modifications

FOR 2001–03 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

in 6–8–01   (SOON)

1.   At the locations indicated, amend the bill as follows:

2.   **1.** Page 946, line 21: delete "2003" and substitute "2004".

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2   "SECTION 2136m. 71.04 (4m) of the statutes is created to read:

3   71.04 **(4m)** APPORTIONMENT FORMULA COMPUTATION. (a) 1. For taxable years

4 beginning before January 1, 2006, if both the numerator and the denominator of the

5 sales factor under sub. (7) related to a taxpayer's remaining net income are zero, the

6 sales factor under sub. (7) is eliminated from the apportionment formula to

7 determine the taxpayer's remaining net income under sub. (4).

8   2. For taxable years beginning after December 31, 2005, if both the numerator

9 and the denominator of the sales factor under sub. (7) related to a taxpayer's

10 remaining net income are zero, none of the taxpayer's remaining net income is

11 apportioned to this state.

12   (b) 1. For taxable years beginning before January 1, 2006, if the numerator of

13 the sales factor under sub. (7) related to a taxpayer's remaining net income is a

14 negative number and the denominator of the sales factor under sub. (7) related to a

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22 the sales factor under sub. (7) related to a taxpayer's remaining net income is a

23 positive number and the denominator of the sales factor under sub. (7) related to a

1   taxpayer's remaining net income is zero or a negative number, the sales factor under

2   sub. (7) is one.

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12   **15.** Page 949, line 20: delete "2004" and substitute "2005".

13   **16.** Page 961, line 7: delete "2003" and substitute "2004".

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20   the sales factor under sub. (9) related to a taxpayer's remaining net income is a

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22   taxpayer's remaining net income is zero or a negative number, the sales factor under

23   sub. (9) is one.

24   2. For taxable years beginning after December 31, 2005, if the numerator of the

25   sales factor under sub. (9) related to a taxpayer's remaining net income is a positive

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10   substitute "2003, and before January 1, 2005,".

11   **31.** Page 973, line 1: delete "2003" and substitute "2004".

12   **32.** Page 973, line 2: delete "2005" and substitute "2006".

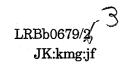13   **33.** Page 973, line 10: after that line insert:

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* Page 973, line 7: delete "2004" and substitute "2005".

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2   used to determine the percentage under sub. (3) (a) related to a taxpayer's net income

3   is a negative number and the denominator used to determine the percentage under

4   sub. (3) (a) related to a taxpayer's net income is not zero, the percentage under sub.

5   (3) (a) is zero.

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14   (3) (a) related to a taxpayer's net income is zero or a negative number, the percentage

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16   2. For taxable years beginning after December 31, 2005, if the numerator used

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19   (3) (a) related to a taxpayer's net income is zero or a negative number, all of the

20   taxpayer's net income is apportioned to this state.".

21   **(END)**

LFB:......Shanovich (RR) – Motion 1643:   Delay single sales factor apportioment; computation modifications

FOR 2001–03 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

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20   apportioned to this state.

21   (c) 1. For taxable years beginning before January 1, 2006, if the numerator of

22   the sales factor under sub. (7) related to a taxpayer's remaining net income is a

23   positive number and the denominator of the sales factor under sub. (7) related to a

1   taxpayer's remaining net income is zero or a negative number, the sales factor under

2   sub. (7) is one.

3   2. For taxable years beginning after December 31, 2005, if the numerator of the

4   sales factor under sub. (7) related to a taxpayer's remaining net income is a positive

5   number and the denominator of the sales factor under sub. (7) related to a taxpayer's

6   remaining net income is zero or a negative number, all of the taxpayer's remaining

7   net income is apportioned to this state.".

8   **11.** Page 947, line 23: delete "<u>2005</u>" and substitute "<u>2006</u>".

9   **12.** Page 948, line 2: delete "<u>2005</u>" and substitute "<u>2006</u>".

10   **13.** Page 948, line 14: delete "<u>2003</u>" and substitute "<u>2004</u>".

11   **14.** Page 948, line 21: delete "<u>2002</u>" and substitute "<u>2003</u>".

12   **15.** Page 949, line 20: delete "<u>2004</u>" and substitute "<u>2005</u>".

13   **16.** Page 961, line 7: delete "2003" and substitute "2004".

14   **17.** Page 961, line 12: delete "2002" and substitute "2003".

15   **18.** Page 961, line 13: delete "2004" and substitute "2005".

16   **19.** Page 961, line 17: delete "2003" and substitute "2004".

17   **20.** Page 961, line 18: delete "2005" and substitute "2006".

18   **21.** Page 961, line 22: delete "2004" and substitute "2005".

19   **22.** Page 962, line 1: delete "2002" and substitute "2003".

20   **23.** Page 962, line 2: delete "2005" and substitute "2006".

21   **24.** Page 962, line 5: delete "2004" and substitute "2005".

22   **25.** Page 962, line 7: after that line insert:

1   **"SECTION 2166m.** 71.25 (6m) of the statutes is created to read:

2   71.25 **(6m)** APPORTIONMENT FORMULA COMPUTATION. (a) 1. For taxable years

3   beginning before January 1, 2006, if both the numerator and the denominator of the

4   sales factor under sub. (9) related to a taxpayer's remaining net income are zero, the

5   sales factor under sub. (9) is eliminated from the apportionment formula to

6   determine the taxpayer's remaining net income under sub. (6).

7   2. For taxable years beginning after December 31, 2005, if both the numerator

8   and the denominator of the sales factor under sub. (9) related to a taxpayer's

9   remaining net income are zero, none of the taxpayer's remaining net income is

10   apportioned to this state.

11   (b) 1. For taxable years beginning before January 1, 2006, if the numerator of

12   the sales factor under sub. (9) related to a taxpayer's remaining net income is a

13   negative number and the denominator of the sales factor under sub. (9) related to a

14   taxpayer's remaining net income is not zero, the sales factor under sub. (9) is zero.

15   2. For taxable years beginning after December 31, 2005, if the numerator of the

16   sales factor under sub. (9) related to a taxpayer's remaining net income is a negative

17   number and the denominator of the sales factor under sub. (9) related to a taxpayer's

18   remaining net income is not zero, none of the taxpayer's remaining net income is

19   apportioned to this state.

20   (c) 1. For taxable years beginning before January 1, 2006, if the numerator of

21   the sales factor under sub. (9) related to a taxpayer's remaining net income is a

22   positive number and the denominator of the sales factor under sub. (9) related to a

23   taxpayer's remaining net income is zero or a negative number, the sales factor under

24   sub. (9) is one.

1   2. For taxable years beginning after December 31, 2005, if the numerator of the

2   sales factor under sub. (9) related to a taxpayer's remaining net income is a positive

3   number and the denominator of the sales factor under sub. (9) related to a taxpayer's

4   remaining net income is zero or a negative number, all of the taxpayer's remaining

5   net income is apportioned to this state.".

6   **26.** Page 962, line 10: delete "2005" and substitute "2006".

7   **27.** Page 962, line 13: delete "2005" and substitute "2006".

8   **28.** Page 963, line 2: delete "2003" and substitute "2004".

9   **29.** Page 963, line 8: delete "2002" and substitute "2003".

10   **30.** Page 964, line 6: delete "2004" and substitute "2005".

11   **31.** Page 972, line 21: delete "2002, and before January 1, 2004," and

12   substitute "2003, and before January 1, 2005,".

13   **32.** Page 973, line 1: delete "2003" and substitute "2004".

14   **33.** Page 973, line 2: delete "2005" and substitute "2006".

15   **34.** Page 973, line 7: delete "2004" and substitute "2005".

16   **35.** Page 973, line 10: after that line insert:

17   "SECTION **2188m.** 71.45 (3e) of the statutes is created to read:

18   71.45 **(3e)** APPORTIONMENT FORMULA COMPUTATION. (a) 1. For taxable years

19   beginning before January 1, 2006, if both the numerator and the denominator used

20   to determine the percentage under sub. (3) (a) related to a taxpayer's net income are

21   zero, the percentage under sub. (3) (a) is eliminated from the apportionment formula

22   to determine the taxpayer's income under sub. (3).

1   2. For taxable years beginning after December 31, 2005, if both the numerator

2   and the denominator used to determine the percentage under sub. (3) (a) related to

3   a taxpayer's net income are zero, none of the taxpayer's net income is apportioned

4   to this state.

5   (b) 1. For taxable years beginning before January 1, 2006, if the numerator

6   used to determine the percentage under sub. (3) (a) related to a taxpayer's net income

7   is a negative number and the denominator used to determine the percentage under

8   sub. (3) (a) related to a taxpayer's net income is not zero, the percentage under sub.

9   (3) (a) is zero.

10   2. For taxable years beginning after December 31, 2005, if the numerator used

11   to determine the percentage under sub. (3) (a) related to a taxpayer's net income is

12   a negative number and the denominator used to determine the percentage under

13   sub. (3) (a) related to a taxpayer's net income is not zero, none of the taxpayer's net

14   income is apportioned to this state.

15   (c) 1. For taxable years beginning before January 1, 2006, if the numerator used

16   to determine the percentage under sub. (3) (a) related to a taxpayer's net income is

17   a positive number and the denominator used to determine the percentage under sub.

18   (3) (a) related to a taxpayer's net income is zero or a negative number, the percentage

19   under sub. (3) (a) is one.

20   2. For taxable years beginning after December 31, 2005, if the numerator used

21   to determine the percentage under sub. (3) (a) related to a taxpayer's net income is

22   a positive number and the denominator used to determine the percentage under sub.

23   (3) (a) related to a taxpayer's net income is zero or a negative number, all of the

24   taxpayer's net income is apportioned to this state.".

25   **(END)**

INSERT A

1809

INSERT A

9 3 24

#, Page 1809, line 8: after that line insert:

27x 29x

"(28m) SINGLE SALES FACTOR APPORTIONMENT. The treatment

of section 71.45(3)(intro.), (a), (b) ~~~~~~ and (3m) of

, and

the statutes first applies to taxable years beginning

after December 31, 2002.".

INIT. APPO.

LFB:......Shanovich (RR) – Motion 1643: Delay single sales factor apportioment; computation modifications

FOR 2001–03 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

1   At the locations indicated, amend the bill as follows:

2   **1.** Page 946, line 21: delete "2003" and substitute "2004".

3   **2.** Page 947, line 1: delete "2002" and substitute "2003".

4   **3.** Page 947, line 2: delete "2004" and substitute "2005".

5   **4.** Page 947, line 6: delete "2003" and substitute "2004".

6   **5.** Page 947, line 7: delete "2005" and substitute "2006".

7   **6.** Page 947, line 11: delete "2004" and substitute "2005".

8   **7.** Page 947, line 14: delete "2002" and substitute "2003".

9   **8.** Page 947, line 15: delete "2005" and substitute "2006".

10   **9.** Page 947, line 18: delete "2004" and substitute "2005".

1   **10.** Page 947, line 20: after that line insert:

2   "SECTION **2136m.** 71.04 (4m) of the statutes is created to read:

3   71.04 **(4m)** APPORTIONMENT FORMULA COMPUTATION. (a) 1. For taxable years

4   beginning before January 1, 2006, if both the numerator and the denominator of the

5   sales factor under sub. (7) related to a taxpayer's remaining net income are zero, the

6   sales factor under sub. (7) is eliminated from the apportionment formula to

7   determine the taxpayer's remaining net income under sub. (4).

8   2. For taxable years beginning after December 31, 2005, if both the numerator

9   and the denominator of the sales factor under sub. (7) related to a taxpayer's

10   remaining net income are zero, none of the taxpayer's remaining net income is

11   apportioned to this state.

12   (b) 1. For taxable years beginning before January 1, 2006, if the numerator of

13   the sales factor under sub. (7) related to a taxpayer's remaining net income is a

14   negative number and the denominator of the sales factor under sub. (7) related to a

15   taxpayer's remaining net income is not zero, the sales factor under sub. (7) is zero.

16   2. For taxable years beginning after December 31, 2005, if the numerator of the

17   sales factor under sub. (7) related to a taxpayer's remaining net income is a negative

18   number and the denominator of the sales factor under sub. (7) related to a taxpayer's

19   remaining net income is not zero, none of the taxpayer's remaining net income is

20   apportioned to this state.

21   (c) 1. For taxable years beginning before January 1, 2006, if the numerator of

22   the sales factor under sub. (7) related to a taxpayer's remaining net income is a

23   positive number and the denominator of the sales factor under sub. (7) related to a

1   taxpayer's remaining net income is zero or a negative number, the sales factor under

2   sub. (7) is one.

3   2. For taxable years beginning after December 31, 2005, if the numerator of the

4   sales factor under sub. (7) related to a taxpayer's remaining net income is a positive

5   number and the denominator of the sales factor under sub. (7) related to a taxpayer's

6   remaining net income is zero or a negative number, all of the taxpayer's remaining

7   net income is apportioned to this state.".

8   **11.** Page 947, line 23: delete "2005" and substitute "2006".

9   **12.** Page 948, line 2: delete "2005" and substitute "2006".

10   **13.** Page 948, line 14: delete "2003" and substitute "2004".

11   **14.** Page 948, line 21: delete "2002" and substitute "2003".

12   **15.** Page 949, line 20: delete "2004" and substitute "2005".

13   **16.** Page 961, line 7: delete "2003" and substitute "2004".

14   **17.** Page 961, line 12: delete "2002" and substitute "2003".

15   **18.** Page 961, line 13: delete "2004" and substitute "2005".

16   **19.** Page 961, line 17: delete "2003" and substitute "2004".

17   **20.** Page 961, line 18: delete "2005" and substitute "2006".

18   **21.** Page 961, line 22: delete "2004" and substitute "2005".

19   **22.** Page 962, line 1: delete "2002" and substitute "2003".

20   **23.** Page 962, line 2: delete "2005" and substitute "2006".

21   **24.** Page 962, line 5: delete "2004" and substitute "2005".

22   **25.** Page 962, line 7: after that line insert:

1   "**SECTION 2166m.** 71.25 (6m) of the statutes is created to read:

2   71.25 **(6m)** APPORTIONMENT FORMULA COMPUTATION. (a) 1. For taxable years

3 beginning before January 1, 2006, if both the numerator and the denominator of the

4 sales factor under sub. (9) related to a taxpayer's remaining net income are zero, the

5 sales factor under sub. (9) is eliminated from the apportionment formula to

6 determine the taxpayer's remaining net income under sub. (6).

7   2. For taxable years beginning after December 31, 2005, if both the numerator

8 and the denominator of the sales factor under sub. (9) related to a taxpayer's

9 remaining net income are zero, none of the taxpayer's remaining net income is

10 apportioned to this state.

11   (b) 1. For taxable years beginning before January 1, 2006, if the numerator of

12 the sales factor under sub. (9) related to a taxpayer's remaining net income is a

13 negative number and the denominator of the sales factor under sub. (9) related to a

14 taxpayer's remaining net income is not zero, the sales factor under sub. (9) is zero.

15   2. For taxable years beginning after December 31, 2005, if the numerator of the

16 sales factor under sub. (9) related to a taxpayer's remaining net income is a negative

17 number and the denominator of the sales factor under sub. (9) related to a taxpayer's

18 remaining net income is not zero, none of the taxpayer's remaining net income is

19 apportioned to this state.

20   (c) 1. For taxable years beginning before January 1, 2006, if the numerator of

21 the sales factor under sub. (9) related to a taxpayer's remaining net income is a

22 positive number and the denominator of the sales factor under sub. (9) related to a

23 taxpayer's remaining net income is zero or a negative number, the sales factor under

24 sub. (9) is one.

1   2. For taxable years beginning after December 31, 2005, if the numerator of the

2   sales factor under sub. (9) related to a taxpayer's remaining net income is a positive

3   number and the denominator of the sales factor under sub. (9) related to a taxpayer's

4   remaining net income is zero or a negative number, all of the taxpayer's remaining

5   net income is apportioned to this state.".

6   **26.** Page 962, line 10: delete "<u>2005</u>" and substitute "<u>2006</u>".

7   **27.** Page 962, line 13: delete "<u>2005</u>" and substitute "<u>2006</u>".

8   **28.** Page 963, line 2: delete "<u>2003</u>" and substitute "<u>2004</u>".

9   **29.** Page 963, line 8: delete "<u>2002</u>" and substitute "<u>2003</u>".

10   **30.** Page 964, line 6: delete "<u>2004</u>" and substitute "<u>2005</u>".

11   **31.** Page 972, line 21: delete "2002, and before January 1, 2004," and

12   substitute "2003, and before January 1, 2005,".

13   **32.** Page 973, line 1: delete "2003" and substitute "2004".

14   **33.** Page 973, line 2: delete "2005" and substitute "2006".

15   **34.** Page 973, line 7: delete "2004" and substitute "2005".

16   **35.** Page 973, line 10: after that line insert:

17   "SECTION 2188m. 71.45 (3e) of the statutes is created to read:

18   71.45 **(3e)** APPORTIONMENT FORMULA COMPUTATION. (a) 1. For taxable years

19   beginning before January 1, 2006, if both the numerator and the denominator used

20   to determine the percentage under sub. (3) (a) related to a taxpayer's net income are

21   zero, the percentage under sub. (3) (a) is eliminated from the apportionment formula

22   to determine the taxpayer's income under sub. (3).

1   2. For taxable years beginning after December 31, 2005, if both the numerator

2   and the denominator used to determine the percentage under sub. (3) (a) related to

3   a taxpayer's net income are zero, none of the taxpayer's net income is apportioned

4   to this state.

5   (b) 1. For taxable years beginning before January 1, 2006, if the numerator

6   used to determine the percentage under sub. (3) (a) related to a taxpayer's net income

7   is a negative number and the denominator used to determine the percentage under

8   sub. (3) (a) related to a taxpayer's net income is not zero, the percentage under sub.

9   (3) (a) is zero.

10   2. For taxable years beginning after December 31, 2005, if the numerator used

11   to determine the percentage under sub. (3) (a) related to a taxpayer's net income is

12   a negative number and the denominator used to determine the percentage under

13   sub. (3) (a) related to a taxpayer's net income is not zero, none of the taxpayer's net

14   income is apportioned to this state.

15   (c) 1. For taxable years beginning before January 1, 2006, if the numerator used

16   to determine the percentage under sub. (3) (a) related to a taxpayer's net income is

17   a positive number and the denominator used to determine the percentage under sub.

18   (3) (a) related to a taxpayer's net income is zero or a negative number, the percentage

19   under sub. (3) (a) is one.

20   2. For taxable years beginning after December 31, 2005, if the numerator used

21   to determine the percentage under sub. (3) (a) related to a taxpayer's net income is

22   a positive number and the denominator used to determine the percentage under sub.

23   (3) (a) related to a taxpayer's net income is zero or a negative number, all of the

24   taxpayer's net income is apportioned to this state.".

1   **36.** Page 1809, line 3: after that line insert:

2   "(29x) SINGLE SALES FACTOR APPORTIONMENT. The treatment of section 71.45 (3)

3   (intro.), (a), and (b) and (3m) of the statutes first applies to taxable years beginning

4   after December 31, 2002.".

5   **(END)**